

Circular No.: NSDL/POLICY/2021/0081

July 30, 2021

Subject: Mandatory updation of certain attributes of KYC of clients - Extension

Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/2021/0036 dated April 07, 2021 regarding Mandatory updation of certain attributes of KYC of clients wherein at point no 6 (a) & (b), it was mentioned as under:

- “a. All 6-KYC attributes shall be mandatory for new accounts opened from June 1, 2021.
b. In respect of all existing accounts, Participants must verify that all 6-KYC attributes are updated and wherever required, necessary communication is sent to their clients, to update the same on or before May 31, 2021....”*

- A) Participants were intimated vide NSDL Circular No. NSDL/POLICY/2021/0051 dated May 21, 2021 regarding decision to extend the timeline for existing clients to July 31, 2021. Based on the representations received from MIIs, SEBI has decided to further extend the timeline for exiting clients to September 30, 2021.
- B) Participants were intimated vide NSDL Circular No. NSDL/POLICY/2021/0055 dated June 01, 2021 regarding decision to extend the timeline for new accounts opened, to July 1, 2021 and subsequently to August 1, 2021 intimated vide NSDL Circular No. NSDL/POLICY/2021/0063 dated June 30, 2021.

Please note that all 6-KYC attributes shall be mandatory for new accounts opened from August 1, 2021. Further to above, in view of various representations received from Participants, highlighting the constraints / challenges with regard to applicability of the attributes to be made mandatory, in particular relating to Valid Mobile Number, Valid Email ID and Income Range, it has been decided to revise the framework for Institutional Clients and non-Institutional clients operating through Custodians, which is enclosed at **Annexure 1**.

In case of clients' demat account held with Custodians, the new flag i.e. 'Custodian Client flag' has been incorporated in Client Maintenance Module of DPM system. Custodians shall enable 'Custodian Client flag' in respect of demat accounts held with Custodian and the requisite guidelines for capturing Client / Custodian details in such accounts are enclosed at **Annexure 2**.

An Institutional client / investor shall mean the categories of investors mentioned below as referred to in Section 1.1.12 of Chapter 4 of SEBI - MRD's Master Circular dated October 25, 2019:-

- a. Foreign Institutional Investors registered with SEBI.
- b. Mutual Funds registered with SEBI.
- c. Public Financial Institutions as defined under section 4A of the Companies Act, 1956.
- d. Banks i.e., a banking company as defined under Section 5(1)(c) of the Banking Regulations Act, 1949.
- e. Insurance companies registered with IRDA.
- f. Pension Fund regulated by Pension Fund Regulatory and Development Authority (PFRDA)

Participants are also advised to mandatorily apply the DPM version release 7.4 before August 1, 2021.

Participants are advised to take note of the above and ensure compliance.

For and on behalf of

National Securities Depository Limited

Chirag Shah

Senior Manager

Enclosed: Two

FORTHCOMING COMPLIANCE			
Particulars	Deadline	Manner of sending	Reference
Investor Grievance Report (Monthly)	By 10th of the following month.	Through e-PASS	Circular No. NSDL/POLICY/2015/0096 dated October 29, 2015
Internal/ Concurrent Audit Report (October 2020 – March 2021)	July 31, 2021.	Through e-PASS	1. Circular No. NSDL/POLICY/2021/0041 dated May 04, 2021 2. Circular No NSDL/POLICY/2021/0048 dated May 11, 2021
Compliance Certificate (January - June)	July 31st every year	Through e-PASS	Circular No. NSDL/POLICY/2019/0088 dated December 17, 2019.
Artificial Intelligence /Machine Learning Reporting Form (if offering or using such technologies as defined) (Quarterly)	July 31, 2021	By email at Participant-Interface@nsdl.co.in	1. Circular No. NSDL/POLICY/2019/0016 dated March 27, 2019 2. Circular No. NSDL/ POLICY/2020/0056 dated April 29, 2020 3. Circular No. NSDL/POLICY/2021/0041 dated May 04, 2021
Risk based Supervision of Participants (October 2020 – March 2021)	July 31, 2021	Through e-PASS	1. Circular No. NSDL/POLICY/2018/0050 dated September 25, 2018 2. Circular No.: NSDL/ POLICY/2020/0082 dated June 16, 2020 3. Circular No. NSDL/POLICY/2021/0041 dated May 04, 2021
Annual System Audit Report for the period ended March 2021	July 31, 2021	Through e-PASS	1. Circular No. NSDL/ POLICY/2020/0056 dated April 29, 2020 2. Circular No. NSDL/POLICY/2020/0071 dated May 19, 2020 3. Circular No. NSDL/POLICY/2020/0106 dated July 31, 2020 4. Circular No. NSDL/POLICY/2021/0041 dated May 04, 2021

Annexure 1 – Mandatory KYC attributes

Fields / attributes to be captured during KYC process of Demat accounts				
	Institutional clients / Investors*		Non-Institutional clients / Investors**	
	Details of Client	Details of Client's Custodian	Details of Client	Details of Client's Custodian (if applicable)
Name	Mandatory	Mandatory	Mandatory	Mandatory
PAN	Mandatory	Mandatory	Mandatory	Mandatory
Address	Mandatory	Mandatory	Mandatory	Mandatory
Valid Phone number	Mandatory (Mobile number OR Office Landline number)	Mandatory (Mobile number OR Office Landline number)	Mandatory (Mobile number)	Mandatory (Mobile number OR Office Landline number)
Valid email-ID	Mandatory	Mandatory	Mandatory	Mandatory
Income Range	Optional	-	Mandatory	-

** For the above purpose, institutional client / investor shall mean the categories of investors mentioned at Section 1.1.12 of Chapter 4 of MRD's Master Circular dated October 25, 2019.*

*** Non-institutional client / investor would imply other than institutional client / investor.*

Annexure 2 – Capturing of Mandatory KYC attributes w.e.f. August 1, 2021

For Clients (wherein Custodian Client Flag will be enabled by Custodian Participants)				
Sr No	Field Name	Details of Clients / Custodian		
		Applicability	Procedure to be followed in case of Clients	Procedure to be followed in case of Custodians
1	Name	Mandatory	Client Name to be captured in existing Name field.	Custodian Name to be captured under POA module of the DPM system.
2	PAN	Mandatory	Client's PAN details to be captured in existing PAN field.	Custodian PAN to be captured in the POA module of the DPM system under Remarks column. Further, NSDL is in the process of providing the separate field for capturing the Custodian PAN.
3	Address	Mandatory	Client Address shall be mandatorily required to be captured in the other address field of the DPM system. The nomenclature of said field would get changed to "Client Address".	Under Client Maintenance Module, select custodian client flag and capture custodian address under "Custodian address" field.
4	Valid Phone No	Mandatory (Mobile number OR Office Landline number)	Client's Mobile number or Landline number shall be separately captured in the existing 'Mobile' field as available in the DPM system mandatorily. In case of Non-Institutional Investors, Mobile number shall be mandatorily required to be captured.	Under Client Maintenance Module, select custodian client flag and capture phone number under "Custodian Mobile/Phone No" field.
5	Valid Email ID	Mandatory	A separate Client Email ID field would be made available to capture Client Email ID.	Under Client Maintenance Module, select custodian client flag and capture Email ID under field "Custodian Email ID"
6	Income Range	Optional / Mandatory	1.For Institutional clients Income Range is Optional 2.For Non-Institutional clients Income Range is Mandatory.	Not Applicable